

# SENATE BILL REPORT

## SSB 5783

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As Passed Senate, March 1, 2017

**Title:** An act relating to exempting multipurpose senior citizen centers from property taxation.

**Brief Description:** Exempting multipurpose senior citizen centers from property taxation.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Sheldon, Fain, Liias, Pearson and Becker).

**Brief History:**

**Committee Activity:** Ways & Means: 2/21/17, 2/23/17 [DPS, DNP, w/oRec].

**Floor Activity:**

Passed Senate: 3/01/17, 48-1.

<p><b>Brief Summary of First Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Exempts multipurpose senior centers from property tax.</li></ul>
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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5783 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Conway, Darneille, Fain, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

**Minority Report:** Do not pass.

Signed by Senator Ranker, Ranking Minority Member.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Carlyle, Hasegawa and Keiser.

**Staff:** Carrie Graf (786-7708)

**Background:** All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. Property tax exemptions

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

exist for property owned by churches and a variety of qualifying nonprofit organizations, including nonprofit homes for the aging.

**Summary of First Substitute Bill:** Multipurpose nonprofit senior centers (senior centers) are eligible for a property tax exemption if the property is owned by a senior center organization and is used for the operation of the senior center, and the facilities and services are available to all regardless of race, color, national origin, or ancestry. Multipurpose senior centers are defined as a community facility that provides a broad spectrum of services, which may include the provision of health, social, nutritional, and educational services, and the provision of facilities for recreational activities for senior citizens. Senior citizen organization means a private organization formed to support senior citizens, that is exempt from federal income tax under 501(c)(3) of the internal revenue code and operates a multipurpose senior citizen center.

The senior center may be used for fund-raising events if the event is conducted by a nonprofit organization or the purpose of the event is consistent with the purpose of the property tax exemption. Exempt property may be loaned or rented for an unlimited number of days if the rents and donations received for the use of the senior center are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented. The senior center may operate or host a thrift store, farmers market, or similar activity year-round without nullifying the exemption.

The use of an exempt senior center, other than as specifically described in the bill, nullifies the exemption for the assessment year.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on First Substitute:** PRO: This exemption will allow senior centers to be more effective at the tremendous work they do in the community. The 1977 Senior Citizens Services Act makes it the policy of the state to support programs that provide an alternative to institutional care. This helped fund area agencies on aging, and these agencies need partners like multipurpose senior center to provide services. There are many people who come into our center and say we're the reason they are still alive. There is a large body of research showing that recreation, socialization, and exercise keep people outside of institutions and in their homes. Such alternatives allow us to put money back into programming that keeps seniors healthy and active. According to the Health Center Authority, the annual cost to keep someone in a nursing home is \$91,000 with 72 percent of that being paid by Medicaid or other public funding like VA. The services provided at these centers include all sorts of exercise and fall prevention. The 2015 White House conference on aging was all about falls prevention and they said two things: move for better balance and get regular blood pressure checks. Our hub does both those things and many more. This center does so much for the physical and fitness part; I've lost more than 200 pounds.

**Persons Testifying:** PRO: Senator Tim Sheldon, Prime Sponsor; Elizabeth Gizzi, Faith In Action West Sound/Operations Manager; Patricia Kleist, Faith in Action; Norma Bayes, Faith in Action - Belfair; Michael Aiken, Faith in Action.

**Persons Signed In To Testify But Not Testifying:** No one.